



Many developing countries are heavily dependent on exports of commodities. Throughout most of the 1980s and 1990s, prices for these goods remained low, but since 2002 they have risen considerably. Despite the resulting increase in the value of their chief exports, most commodity-dependent developing countries (CDDCs) have been unable to convert the additional revenue into a diversification of their export industries. Since 2002, the number of countries whose commodity exports represent more than 60% of merchandise exports has risen from 85 to 91.

Their persistent dependence on commodities exports has been particularly poignant for CDDCs as the fallout from the 2008 global economic crisis continues. Many of these nations are dependent on imports of food, oil, and manufactured goods. Poverty and food security are often pressing concerns. As the global crisis has squeezed government and household budgets, CDDCs find themselves less able to confront these major challenges. It is vital for them to realize greater lasting value from their commodities exports.

Over the past year, the pressure on CDDCs has increased with the worsening of the sovereign debt crisis, which threatens to reduce the amount of credit available to commodities producers and to increase the amount of speculative capital that flows from financial markets into commodities in search of profitable investments.

Continued price volatility in commodities markets has prompted high-level collaborative international action, including most recently by the UN High Level Task Force (UN HLTF) and the G-20 grouping of major economies.

This year's UNCTAD Global Commodities Forum (GCF) will focus on what CDDCs can do to reverse the pattern. The event's theme is "Harnessing development gains from commodities production and trade." The Forum will attract government ministers, business leaders in the field of commodities, academics, development economists, and others.

The 2012 GCF proposes a varied programme that challenges participants to identify ways to increase the value CDDCs earn from their natural resources and to redress imbalances in commodities markets. The Forum will emphasize project implementation: the programme includes sessions devoted to case studies of successful commodity-related development projects, as well sessions aimed at identifying new projects and possibilities.

Established in 1964, UNCTAD promotes the development-friendly integration of developing countries into the world economy. UNCTAD is the UN institution mandated to deal with commodity-related trade and development issues, including finance, debt, investment, and logistics. It fulfils its mandate by: organizing intergovernmental deliberations aimed at consensus building; by undertaking research and analysis to inform debate; and by providing technical assistance tailored to the needs of developing countries.

In response to recent complex challenges affecting commodities markets, UNCTAD organized the first Global Commodities Forum in 2009. The Forum gathers high-level representatives from all sectors of the commodities economy. It aims to generate new ideas for ensuring that the production and trade of commodities lead to sustainable economic growth and development.